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TABLE OF CONTENTS

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Introduction 4

About the Corporation 5
- Mission 5
- Mandate 5
- Function 5
- Structure 6
- Organization 7
- Financial structure and results 10

Operating Environment 11
- Goals 11
- Principles and values 12
- Pricing and policy principles 13
- Significant influences 13

Economic Contributions 15
- Crown land tenures 15
- Crown land reserves 16

2000/01 in Review 18
- Overview 18
- Highlights 18
  - BC Gas Southern Crossing Project 19
  - Tenure application turnaround times 19
  - Crown land application process 20
  - Shellfish Development Initiative 21
  - Sea-to-Sky Corridor commercial recreation 22
  - Monashees 23
  - Backcountry protocol agreement 24
  - Web site 25
  - Trans Canada Trail 26
  - Mud Bay 26
  - Roberts Bank farmland 26
  - Alpine Ski Program 27
  - Kamloops Hospice and Parkland Project 28

Business Priorities: Key Activities and Results 29

Financial Statements 35

Glossary 43

Appendix A: Board of Directors 45

Appendix B: Corporate Offices 46

Regional Map 47

INTRODUCTION

As British Columbia continues to experience a growing demand for Crown land throughout the province, the importance of having an agency focused on the effective management of these lands has never been greater. With an increasing interest in the activities on Crown land, it has never been more important for BCAL to conduct its operations and activities in a manner that is accountable and transparent to all British Columbians.

In 2000/01 BCAL undertook a new performance planning process. It's main goal for the period was to develop a results-oriented organization that responds openly, quickly and effectively to change.

For this reporting year, BCAL's dedicated staff focused much of their energy on developing an effective operating culture capable of responding to the changing needs and demands of its clients, communities and the taxpayers we serve in British Columbia.

In particular, BCAL worked to improve the level of responsiveness through the creation of new turnaround times for processing land tenure applications. Its staff also worked to improve services to clients and stakeholders through the creation of better information on how we process applications on Crown land. This effort resulted in the development of a new and expanded Web site, which for the first time provides comprehensive and easily accessible information about Crown land. And BCAL worked to improve the corporation's ability to identify and deliver new business opportunities by increasing its internal capacity.

This year's annual report represents the first year of reporting corporate results according to the new performance planning guidelines established by the provincial government. In order to encourage a performance-based management approach, BCAL identified specific business strategies and performance targets against which its activities could be measured. The results of the corporation's work are presented in the information that follows.

ABOUT THE CORPORATION

BCAL'S MISSION

MANDATE

The British Columbia Assets and Land Corporation (BCAL) is a specialized agency of the provincial government dedicated to the management and disposition of Crown land. BCAL was created to bring more focus and resources to:

- the management of existing Crown land tenures and new applications; and
- the development and marketing of Crown land.

In particular, BCAL was established to support local communities in meeting the challenges of their changing economic bases. BCAL provides the provincial government with a responsive organization dedicated to expert Crown land management.

FUNCTION

BCAL supports the growth of the provincial economy by facilitating a variety of residential, commercial, industrial, agricultural and recreational uses of Crown land. BCAL issues and manages tenures on Crown land and develops and markets Crown land on behalf of the government of B.C.

Decisions taken by the corporation on Crown land are made with the full recognition that provincial resources are limited and must accommodate a range of values, including environmental, social and economic objectives. To accomplish its mission, BCAL works in close co-ordination with a number of agencies at all levels of government, and with First Nations, applicants seeking access to Crown lands, and community stakeholders. The multiple interests represented in the disposition of Crown land require BCAL to recognize these interests in a responsible manner.

STRUCTURE

Incorporated under the British Columbia Company Act, BCAL's sole shareholder is the Province of British Columbia. In 2000/01 the Minister of Agriculture, Food and Fisheries and the Minister Responsible for Rural Development held the share on behalf of the province and reported to the legislature for BCAL. As a Crown corporation, BCAL operates as an agent of government and is required to comply with all government policies and directions, including the Land Act and those dealing with Aboriginal rights and title, and with land use plans approved by government. The corporation operates under a delegation agreement with the Ministry of Environment, Lands and Parks that empowers BCAL to administer tenures on Crown land and develop and market Crown land.

BCAL's legislative authority is mainly set out in:

- the Land Act
- the Delegation Agreement with the Ministry of Environment, Lands and Parks
- Crown land use policies, and
- consultation guidelines for First Nations.

BCAL reports to a Board of Directors that comprises deputy ministers and the President and Chief Executive Officer of BCAL. The board is appointed annually by the minister responsible for BCAL.

BCAL currently has offices in locations across B.C., including Cranbrook, Fort St. John, Kamloops, Nanaimo, Prince George, Smithers, Surrey, Williams Lake and Whistler. BCAL's executive offices and headquarters staff are located in Victoria.

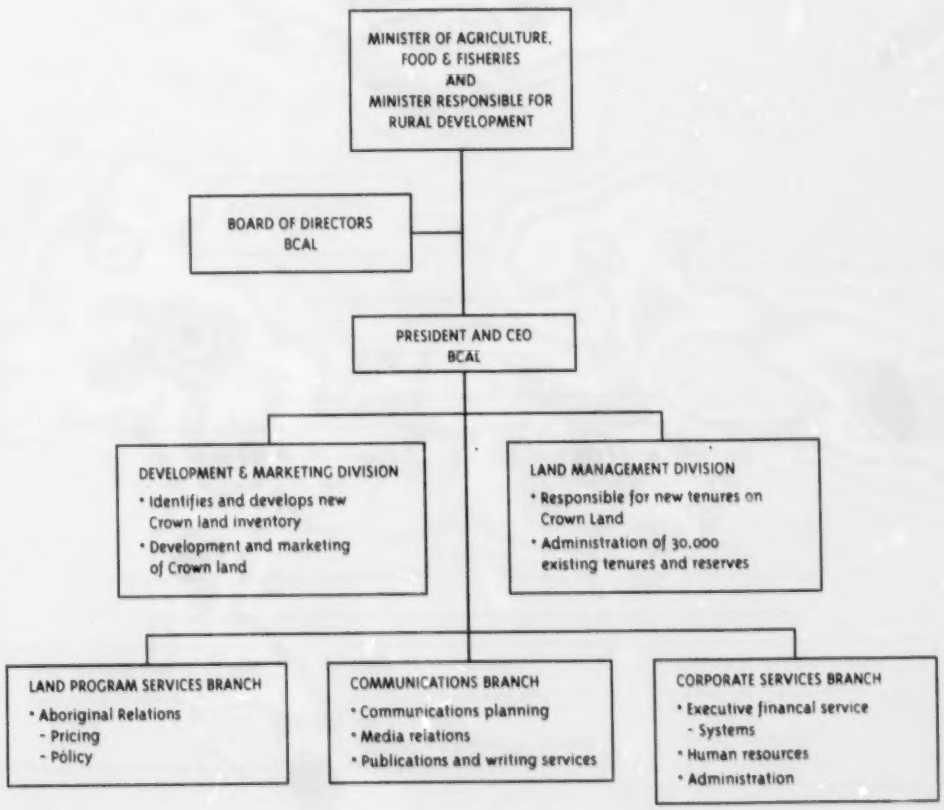
ORGANIZATION

BCAL has two distinct operational divisions: the Land Management Division and the Development and Marketing Division.

The Corporate Services Branch, Communications Branch and Land Program Services Branch support the work of these divisions. A brief description of the organization follows.

The Business Partnerships Division, which resides in BCAL, now reports to the Ministry of Finance and Corporate Relations.

2000/01 FISCAL YEAR


MINISTER OF AGRICULTURE, FOOD & FISHERIES AND MINISTER RESPONSIBLE FOR RURAL DEVELOPMENT
BOARD OF DIRECTORS BCAL
PRESIDENT AND CEO BCAL
DEVELOPMENT & MARKETING DIVISION
• Identifies and develops new Crown land inventory
• Development and marketing of Crown land
LAND MANAGEMENT DIVISION
• Responsible for new tenures on Crown Land
• Administration of 30,000 existing tenures and reserves
LAND PROGRAM SERVICES BRANCH
• Aboriginal Relations
- Pricing
- Policy
COMMUNICATIONS BRANCH
• Communications planning
• Media relations
• Publications and writing services
CORPORATE SERVICES BRANCH
• Executive financal service
- Systems
• Human resources
• Administration

Land Management Division

The Land Management Division manages 30,000 tenures and reserves on provincial Crown land, processes several thousand new applications for tenures and renewals each year through its offices across B.C., collects rents, and monitors and enforces the Land Act, including trespass provisions. The application and review process is designed to ensure that all applications are considered and reviewed based on criteria designed to achieve sustainable land allocation decisions, and that due diligence is brought to each application.

The division also manages land reserves in the interest of other agencies of government, such as the Ministry of Environment, Lands and Parks, the Ministry of Transportation and Highways and the Ministry of Municipal Affairs.

In addition to processing applications under more than 20 land programs, the division has established priority business units for key business areas. The Aggregates, Commercial Recreation, Shellfish, Ski Resort and Telecommunications programs are managed in a business unit approach to provide a primary provincial point of contact and to:

- streamline the review and approval process across government
- co-ordinate planning and licensing with industry for expansion and development
- ensure that development meets provincial requirements and public interests, and
- ensure that our work is consistent with the Business Task Force red tape reduction initiative.

Development and Marketing Division

The Development and Marketing Division identifies, develops and markets Crown land on behalf of the provincial government, in accordance with all relevant government policies. The division provides a complete listing and description of all Crown land available for sale and offers these opportunities to the public at fair market value. In addition, the division has placed an increased focus on working closely with local governments to assist them in identifying and meeting their economic challenges, by helping to make Crown land available in order to facilitate sustainable economic growth opportunities.

Corporate Services Branch

The Corporate Services Branch is responsible for the prudent management of up to $150 million per year in revenue[1], while providing efficient, effective administrative services to BCAL's corporate and regional offices. The branch provides administrative services in the areas of finance, budget control and monitoring, information systems, human resources, facilities and vehicle management.

Communications Branch

The Communications Branch works to raise public awareness and understanding of the corporation's Crown land management practices and its development and marketing objectives. The branch responds to public and media inquiries and requests for information and maintains an Internet information site (www.bcal.bc.ca) designed to provide public access to corporate information, Crown land application processes and the more than 20 land management programs overseen by BCAL. The branch also develops a variety of communication materials and provides issue management, media relation and writing services.

Land Program Services Branch

The Land Program Services Branch supports the aboriginal relations and pricing and policy needs of BCAL. The branch provides the corporation's two business divisions with program direction, policy analysis and development and operational support. Within this structure, BCAL has developed a number of initiatives and projects across a variety of economic sectors with a view to providing the many industries that it supports with responsible, efficient land management services.

Business Partnerships Division

The Business Partnerships Division undertakes business evaluations of major government assets and related operations. In 2000/01, the division resided with BCAL, which managed its administrative functions; however, the division's reporting responsibilities were transferred to the Ministry of Finance and Corporate Relations in June 2000. BCAL incurred $862,665 in operating expenses on behalf of the division in 2000/01, and $1,756,236 in project expenses relating to 1999/2000 and 2000/01; the corporation received $2,812,089 as remuneration for costs.

[1] *This includes revenue and expenditures for the Business Partnerships Division through a management agreement with the Ministry of Finance and Corporate Relations.*

FINANCIAL STRUCTURE AND RESULTS

BCAL is a self-funding government organization, paying all expenses out of earned revenues. The annual budget is based on forecast revenue and operational expectations for the upcoming fiscal year.

The corporation uses its revenues to cover costs arising from identifying business opportunities, completing sales and marketing Crown land resources. It retains 10 per cent of its net proceeds on the sale of Crown land and 40 per cent of gross proceeds from tenure administration to support its land management responsibilities. Revenues not required for future operations are contributed to the provincial government's Consolidated Revenue Fund to support public priorities, including health and education. In 2000/01, gross revenues for BCAL amounted to $68.5 million, and BCAL contributed $46.4 million to the Consolidated Revenue Fund.

The corporation's accounts are kept in accordance with the guidelines established through the method of Generally Accepted Accounting Principles. In addition, the Auditor General of British Columbia audits the corporation's accounts annually.

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OPERATING ENVIRONMENT

The activities and decisions undertaken by BCAL are guided by a set of established goals, principles and values, which help bring focus to BCAL's operating environment and support the delivery of responsible Crown land use outcomes. In 2000/01, BCAL also identified a set of five significant influences that helped guide its business planning and decision-making processes for that period.

BCAL'S GOALS 2000/01

1. Make Crown land resources and assets available to support growth and diversification of the provincial economy.
2. Determine opportunities to increase value to the taxpayer by undertaking business improvements in how government assets are managed.
3. Assist communities with their local development challenges.
4. Recognize the social, environmental and aboriginal values in the use of Crown land resources and assets.
5. Ensure the government receives full value from the management and disposition of Crown land resources and assets.

PRINCIPLES AND VALUES

As BCAL strives to achieve its long-term goals, the day-to-day operations and decision-making processes are guided by a commitment to four operating principles:

1. **Leadership in innovative business solutions**—One of the key reasons for the creation of BCAL was to facilitate economic development and revenue enhancement for government. BCAL does this by actively seeking out development opportunities and delivery that go beyond traditional models. It has a mandate to innovate.

2. **Responsive client service and stakeholder relations**—BCAL is committed to expediting the government decision-making process in order to meet the interests of its clients and the larger community. At the same time, BCAL will ensure that information about its own business processes is understandable and accessible to its clients, its stakeholders and the general public.

3. **Strong business practices**—BCAL is committed to developing strong business analysis, planning and reporting practices.

4. **Progressive organizational development**—BCAL boasts a deep pool of knowledgeable and talented staff. The corporation is committed to making best use of our expert staff by maintaining a flexible and responsive corporate culture that encourages and recognizes creative thinking and innovation, while at the same time providing a stable and secure work environment.

PRICING PRINCIPLES

BCAL applies five fundamental pricing principles to all Crown land programs:

1. Equity and fairness
2. Administrative efficiency
3. Fair return to the Crown
4. Comparability and consistency
5. Fair implementation

SIGNIFICANT INFLUENCES

Factors that guided BCAL's business planning and decision-making processes in 2000/01 included:

Economic Development

In many regions of the province, Crown land presents a key opportunity for local economic diversification and development. This is particularly important in the many areas of the province where traditional industries, such as forests and fisheries, are in decline. BCAL recognizes that it has a role to play in supporting responsible growth of the economy, and many BCAL business priorities are aimed at improving its ability to respond to local economic development needs across the province.

Environmental Stewardship

Before making Crown land available for economic activity, a key responsibility of BCAL is to ensure that the environmental implications are fully reviewed. This is particularly relevant in the tenuring activities on Crown land in the backcountry of the province, where wildlife values are high and where access has been limited. BCAL complies with all existing land use plans and is committed to undertaking and implementing recreation and access planning at the sub-regional level. BCAL refers all commercial recreation and any other relevant tenure applications to the Ministry of Environment, Lands and Parks (MELP) for technical assessment of impacts on wildlife, water quality and other aspects of the environment. Permits

will only be issued for activities that comply with MELP's direction and will incorporate its management provisions to mitigate impacts on wildlife, habitats and the environment.

First Nations

BCAL has the responsibility to ensure that the province's fiduciary obligations to First Nations are met in determining the disposition of Crown lands. The corporation is also interested in strengthening its working relationships with First Nations, and has dedicated resources to enhance corporate expertise on aboriginal relations. Last year, BCAL completed and published a set of aboriginal interest assessment procedures to provide consistent direction on consultation activities. In addition, BCAL supports the economic development goals of First Nations through interim measures agreements. BCAL works closely with the Ministry of Aboriginal Affairs and has structured an agreement to ensure effective co-ordination in the development of treaty mandates.

Community Needs

Crown lands dominate the geography and the economic potential of many communities across the province and can influence and stimulate economic growth. Plans for new subdivisions or industrial parks are often dependent on the availability of lands held by the province. BCAL has an important role to play in supporting responsible growth and is developing its capacity to respond more effectively to local needs and to develop community-level strategies for disposition of Crown lands.

Return to Taxpayer

Provincial Crown land and major assets represent significant value to the taxpayer, both now and for future generations. BCAL's mandate requires that government receives fair value for the use of these lands and assets and that new opportunities be considered where they are in the public interest. This involves close consultations with government ministries, agencies, Crown corporations and public stakeholders.

ECONOMIC CONTRIBUTIONS

Because 92 per cent of land in British Columbia is Crown land, BCAL plays a key role in supporting economic growth and development. The economic impact of activities on Crown land facilitates job creation, economic growth and diversification, revenue generation and capital investment in B.C.

CROWN LAND TENURES

BCAL manages a portfolio of approximately 30,000 tenures and reserves. Tenures (leases, licences, permits, rights-of-way) involve Crown lands used by individuals and companies for private, commercial or individuals purposes. Rent is payable for most lands held under tenure. BCAL manages 22,000 tenures (73% of BCAL's portfolio) which collectively cover 0.97 million hectares (13% of lands managed by BCAL). Tenure revenues approximate $30 million annually.

Table 1 presents the estimated economic contributions from tenured Crown lands.

It is important to note that 87 per cent of the land allocated by BCAL represents Land Act reserves that have been set aside for public purposes on behalf of other ministries and agencies of the government. Thirteen per cent of the land administered by BCAL produces all of the tenure revenues. BCAL's tenure portfolio is represented in Table 2.

TABLE 1 EXISTING TENURES

Existing Tenures	Number of tenures	Estimated number of direct jobs	Tenure Revenues	Estimated income = GDP	Estimated direct B.C. government revenue*	Estimated direct local government revenue**
	22,000	28,000	$30 million	$2.9 billion	$202 M annually	$74 M annually

*This figure represents an order-of-magnitude estimate of the revenues flowing to the Provincial Government associated with existing Crown land tenures administered by BCAL. *Provincal Government Revenues* include BCAL tenure-related revenues, the provincial share of corporate and personal income taxes, resource royalties (e.g. for timer, oil and gas) and other levies such as sales taxes.

**This figure represents an order-of-magnitude estimate of the revenues flowing to Local Governments associated with existing Crown land tenures administered by BCAL. *Local Government Revenues* primarily comprise property taxes.

TABLE 2 CROWN LAND TENURES

22,000 tenures
0.97 million hectares 13%

CROWN LAND RESERVES

In addition to the 22,000 tenures, BCAL manages 8,000 reserves which allocate land for government use including conservation, gravel for highway purposes, or provincial and federal government infrastructure including fish hatcheries and navagation sites. The reserves cover approximately 6.6 million hectares. While reserves do not generate direct revenue, substantial

economic impacts are generated by the existing tenures. Table 3 presents a breakdown of the variety of uses of reserve Crown land.

In addition to managing tenures, BCAL processes approximately 2,000 new applications annually for tenures and renewals that further contribute to the economy by producing new jobs, revenue and capital investments. Table 4 presents an estimation of the economic contributions of these tenures to the B.C. economy.

NOTE: Estimated capital investment is based on proposed capital investment as disclosed by proponents during the application process.

TABLE 3 CROWN LAND TENURES AND RESERVES

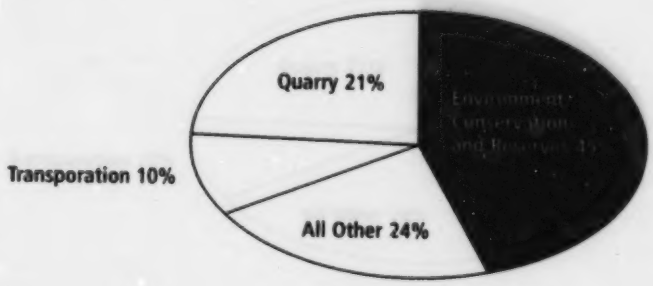


TABLE 4 ECONOMIC IMPACT OF NEW APPLICATIONS

TABLE 4: ECONOMIC IMPACT OF NEW APPLICATIONS

[illegible]	Number of applications	Estimated number of direct jobs	Estimated income = GDP	Estimated direct B.C. government revenue	Estimated capital investment
[illegible]	2,000	4,500	$270 M	$32.5 M	$200 M

2000/01 IN REVIEW

OVERVIEW

During the 2000/01 fiscal year, BCAL engaged in a comprehensive performance planning process to improve the efficiency of its business activities and to improve the level of transparency of its operations to both clients and taxpayers.

The result of this process was the development and implementation of the 2000/01 business plan. The business plan clearly defines BCAL's business priorities and sets performance targets against which to measure the corporation's activities for the year 2000/01.

The performance plan set out the following business priorities for 2000/01:

1. Identify new opportunities that maximize the value of Crown land and assets.
2. Increase business capacity, strengthening management practices and encouraging innovation to meet the corporation's mandate.
3. Support new delivery models that reflect clear performance and results.
4. Make business approaches more transparent and accessible.
5. Advance community economic development.

HIGHLIGHTS

BCAL undertook many projects over the course of the fiscal year. Some examples of projects that demonstrate how the corporation met the goals and priorities identified in its 2000/01 performance plan are provided below. The highlights presented in this section are intended to expand on details provided in the report of performance activities and are listed according to their relationship to the corporation's identified business priorities.

1. Identify new opportunities that maximize the value of Crown land and assets.

BC Gas Southern Crossing Project

The BC Gas Southern Crossing Project, the largest capital project ever undertaken by BC Gas, is a 304 km–long pipeline constructed in 2000 between Yahk (a small town between Creston and Cranbrook) and Oliver, B.C. At a capital cost of $376 million, including a $20 million compressor station west of Hedley, B.C., the project provided 1,500 jobs. The pipeline installation was completed in December 2000 and is now operational for the delivery of natural gas from Alberta to the Lower Mainland.

BCAL's role in this project, as a key agency in the Environmental Assessment Office (EAO) Project Review, included processing and negotiating Land Act applications for the Oil and Gas Commission covering 782 hectares of Crown land. BCAL will continue to be involved in this project, preparing long-term statutory right-of-way for the Oil and Gas Commission once the legal survey for the pipeline right-of-way is complete.

The BC Gas Southern Crossing Project demonstrates how agencies of the provincial government, including BCAL and the EAO, are working together to identify new opportunities for the management and disposition of public lands and to better respond to the needs of industry and business, while at the same time ensuring that full attention is paid to environmental impacts.

2. Increase business capacity, strengthening management practices and encouraging innovation to meet the Corporation's mandate.

Tenure application turnaround times

Every year, BCAL processes several thousand new applications for tenures and renewals. Applications are reviewed based on a consistent set of criteria to ensure that due diligence is brought to each application. The application process consists of six stages:

1 Application review
2 Public notification and consultation
3 Evaluation and issues resolved
4 Land allocation decision made
5 Conditions of tenure fulfilled
6 Tenure awarded

In 2000/01, BCAL identified the need to set turnaround times for processing land tenure applications, recognizing that the predictability and timeliness of its administrative processes is of critical importance to businesses proposing to operate on Crown land. The goal of this project is to improve the efficiency of the application process and

CROWN LAND APPLICATION PROCESS

PREPARATION

Proponent prepares and submits a completed application with a development management plan, site map, site plan and other required information for the proposed tenure area and type of tenure.

APPLICATION REVIEW – STAGE 1 (Initial Investigation and Referral Process)

Evaluations and referrals could include federal government agencies (e.g., Fisheries and Oceans), provincial government agencies (e.g., Environment, Lands and Parks, Forests), First Nations, local governments, local interest groups.

PUBLIC NOTIFICATION/CONSULTATION – STAGE 2

Consultation approach is determined by the scope and type of application and could also include advertising and meetings with the public and/or interest groups.

EVALUATION/RESOLUTION OF ISSUE – STAGE 3

The purpose of stage 3 is to resolve issues and concerns raised in stage one and two. The approach is determined by the scope and type of application and could include resolving issues relating to environmental concerns, First Nations issues and other agency or community concerns.

LAND USE DECISION – STAGE 4

Input from all stages of the review process is considered before rendering a tenure decision. Tenure is declined, approved or approved with conditions.

APPLICANT FULFILLS CONDITIONS – STAGE 5

Any conditions attached to the application, including conditions to mitigate potential environmental impacts, must be fulfilled by the proponent at this stage.

TENURE ISSUED – STAGE 6

A final tenure decision is rendered and issued to the proponent.

establish standard processing times for applicants. Phase I of the project, completed during this reporting period, focused on establishing defined turnaround times that provide applicants with greater certainty when planning their activities. The result of this process was to establish three defined timeliness: six months, nine months and 12- months, depending on the scope and type of application to be reviewed.

Six-month turnaround targets have been established for shellfish and finfish tenure applications. Nine-month targets have been established for all other land use programs except applications related to agriculture, commercial recreation and conservation reserves, for which a 12-month target has been set because the land allocation impacts of these types of applications often require more intensive review and referral.

Phase II of the project will involve the implementation of the defined times for processing new tenure applications over a two-year period. BCAL has set performance measures related to achieving these targets and expects to meet them 65 per cent of the time during 2001/02 and 95 per cent of the time thereafter. BCAL measures the time in process for all stages of the application process, except stage five, where it is up to the applicant to meet any specific mitigation provisions that may be required as a result of the review process.

3. Support new delivery models that reflect clear performance and results.

Shellfish development initiative

In November 1998, the provincial government, with BCAL as its agent, launched a program to double the amount of aquatic land available for shellfish aquaculture from 2,115 hectares to 4,230 hectares in ten years, in consultation with First Nations and local communities. Expansion is aimed at areas where people are no longer sustained by forestry or fishing employment.

The government assigned BCAL lead responsibility for this initiative to expedite the shellfish tenure process. BCAL responded by creating a "one-stop" shellfish aquaculture licensing and tenure office in Nanaimo. As of the end of March 2001, 30 applications for expansions to existing farms and one

application for a new shellfish tenure were approved.

Tenure applications currently under consideration or applications that have already been resolved by BCAL are expected to support an estimated 216 jobs and result in more than $19 million in annual income to shellfish farmers.

BCAL set its shellfish tenure targets for 2000/01 at 65 expansions and 50 new farms. In addition to completing 30 expansions and one new farm, the office had another four expansion and two new farm offers in preparation at fiscal year end. Local zoning decisions and inter-agency and community referral and consultation processes affected BCAL's ability to meet these targets.

Over the 10-year period, the Shellfish Development Initiative is expected to generate up to $100 million in annual revenues and add 1,100 direct jobs to the B.C. economy. The approach taken for the Shellfish Development Initiative is representative of BCAL's work to support new delivery models that reflect clear performance and results.

4. Make business approaches more transparent and accessible.

Sea-to-sky corridor commercial recreation

The natural beauty of the backcountry from Squamish to Pemberton, known as the Sea-to-Sky Corridor, supports a robust commercial recreation industry with a particular emphasis on ecotourism operations. The popularity of adventure tourism created growth faster than government's ability to keep pace. Therefore, in September 2000, BCAL launched a 14-month intensive public program requiring all existing unlicensed commercial recreation operators in the Sea-to-Sky Corridor to apply for commercial recreation tenures. The goals of this initiative are to:

protect the environment and manage demands placed on the land base by commercial recreation operators

- reduce conflicts between operators
- support the tourism experience that brings visitors to the region, and
- provide business certainty for operators.

This transition program aims to move towards a fully tenured industry in the Sea-to-Sky Corridor by November 30, 2001. BCAL is processing summer season applications first, with the intention of completing the decision-making process before the 2001 summer season.

Winter season applications will be processed during the summer, with an anticipated decision completion date before the 2001/02 winter season. At the end of the 14 months, BCAL expects to have processed more than 50 applications, representing a substantially expedited approval process.

To ensure that this initiative is undertaken in an accessible and transparent manner, BCAL has set up a Web site, opened an office in Whistler, hired a full-time compliance officer for the Sea-to-Sky Corridor and assigned extra regional staff to handle the surge of applications.

Monashees

Paralleling other regions of B.C., commercial and public outdoor recreation pursuits have been growing in the north-central Monashees area. In an attempt to proactively manage the growth of the commercial recreation industry in this region and facilitate the various positive economic benefits of commercial recreation, including established activities and the development of new opportunities, BCAL commissioned a "Recreation Opportunity Study" for this area.

The primary purposes of this study are to:

- provide management direction to ensure the ability to facilitate long-term, sustainable and quality commercial recreation opportunities within the study area, and
- identify viable areas capable of and suitable for supporting future commercial recreation opportunities.

Research conducted to date has identified a number of winter-based commercial recreation development areas that can be made available in a manner compatible with public recreation, wildlife and other important values and interests. This proactive approach will ensure that a fair allocation process is followed in the delivery of new commercial recreation opportunities, while ensuring that social and environmental interests are identified and addressed.

A final Recreation Opportunity Study was prepared, with consultation and input from all interested stakeholders, for March 31, 2001. The next stage of the process, using the study as a tool to assess prospective commercial recreation proposals in the North Central Monashees area, is scheduled for implementation in 2001/02.

Backcountry protocol agreement

Crown land decisions related to commercial recreation are guided by the Commercial Recreation Policy developed by the Ministry of Environment, Lands and Parks (MELP), which was the outcome of a broad public consultation process. Further, on May 8, 2000, Corky Evans, Minister Responsible for BCAL, and Joan Sawicki, Minister of Environment, Lands and Parks, entered into a long-term agreement to ensure that tenure decisions recognize the environmental, social and economic values of B.C.'s backcountry.

The agreement is a statement of principle that outlines environmental guidelines, planning processes, application review procedures, timelines, consistency, transparency, consultation and enforcement.

The backcountry protocol agreement was developed to recognize:

- the special environmental sensitivities of the backcountry wilderness in B.C.
- the B.C. government's commitment to environmentally sustainable economic development
- the growth in the outdoor, adventure and eco-tourism sectors of the economy and the existence of traditional non-commercial recreational use
- the potential cumulative environmental effects of commercial and non-commercial recreation, and
- the commitment to adequate consultation with First Nations with respect to potential rights and title.

The agreement is designed to achieve a long-term provincial planning approach that will enable the development of the commercial recreation industry in a manner that protects the backcountry it depends upon and that reflects the spirit of the provincial green economy initiative, by ensuring that government agencies are working together in the public interest as responsible stewards of the environment.

For the period April 2000 to March 2001, BCAL adjudicated 108 commercial recreation application decisions. Of these, 66 applications were approved; 42 were

declined for a number of reasons, including policy clarification and withdrawal of application. Based on information provided by applicants, these new or expanded business activities represent about 175 jobs and approximately $5.1 million in capital investment.

Web site

In 2000/01, BCAL developed and implemented a comprehensive new Web site. Phase I of the redesign project, which was launched on February 15, 2001, gives the public, for the first time, comprehensive information about Crown land and the goals, objectives and operations of the corporation.

In addition, the site is designed to simplify client access with directories and portals based on the information and services sought rather than the organization's structure. It provides BCAL's clients and the people of B.C. with a new level of transparency.

Phase II of the project, scheduled for completion by the end of the 2001/02 fiscal year, will give clients access to information about their business dealings with BCAL. This includes financial information, tenure descriptions and tenure application status. Proponents will be able to access this information online 24 hours a day, seven days a week. Clients will be able to swiftly determine what they owe BCAL and then to make the payment online. This phase of the project will improve service to BCAL's clients, decrease business-processing times and enhance performance reporting. As well, it will ensure that the general public can access information about the status of specific tenures.

5. Advance community economic development.

Interim measures agreements

BCAL has entered into a number of interim measures agreements with First Nations to ensure that they benefit from economic activity taking place on Crown land.

In 2000/01, seven interim measures agreements were signed with the Ucluelet, Toquaht, Uchucklesaht, Huuayaht, Teshaht, Quatsino, Snuneymuxw, and Sliammon First Nations to reserve about 375 hectares of foreshore for aquaculture opportunities. Interim measures agreements have also been struck to conduct commercial recreation opportunity studies with a number of communities and to identify and allocate commercial opportunities for First Nations. In addition, interim measures agreements on the development of a hotel/casino/convention centre in the Campbell

River area and a salmon hatchery in the Barkley Sound area have also been signed.

Trans Canada trail

The Trans Canada Trail (TCT) is a federal government millennium project established to construct a recreational corridor across Canada from coast to coast. The total length of the trail from the Atlantic Ocean to the Pacific Ocean is 16,000 km, 1,750 km of which is in southern B.C. Approximately 90 per cent of the B.C. portion of the trail is located on Crown land, with 55 km on the old Kettle Valley Railway (KVR) right-of-way, which the province acquired from CP Rail in the 1990s.

BCAL's role is to manage and administer the KVR corridor and has issued stewardship agreements to local community groups over portions of the corridor to enhance and manage the trail. The KVR offers future potential for economic development for various corridor uses, such as fibre optics, transportation and utilities.

The TCT will support tourism, provide ecotourism opportunities, help preserve our cultural heritage and help diversify local economies. The project is an example of how BCAL is managing Crown land to advance community economic development.

Mud Bay

In 2000/01, BCAL worked co-operatively with the City of Surrey to complete the disposition of 15 hectares of Crown land at Mud Bay. As a result of this disposition, the City of Surrey will create a conservation park and a link to the Trans Canada Trail, and implement habitat protection measures at Mud Bay. This project will enable the city to meet its objectives of establishing waterfront parkland, connecting to a neighbouring municipality and protecting sensitive lands.

Roberts Bank farmland

The Roberts Bank initiative was undertaken to return some of the Crown-leased farmland to private ownership and make a more productive use of Agricultural Land Reserve lands. This was a way to repatriate land to farmers who had been expropriated from the land for a use that never occurred, and who had continued to rent the land they farmed.

Over the past two years, in addition to protecting land for future treaty settlement, BCAL's work with agencies and stakeholders on the Roberts Bank project has resulted in:

- sale of 38 of 45 parcels of land, 80 per cent of which is now in the hands of the tenant farmers
- the protection of 11 heritage sites
- the protection of farmland from future development through the use of "farm-use only" covenants

- protection of future infrastructure by legal rights-of-way, and
- $24 million in revenue to the province.

Each of these measures enhances the existing neighbourhood, complements the efficiency of the adjacent port facility, and promotes a more sustainable farming community for now and into the future.

Alpine ski program

Skiing continues to be a significant economic activity in B.C. with gross company revenue now in excess of $266 million annually and proposed new ski area development of more than $300 million in the next five years. In 2000/01, the ski industry supported 9,700 full and part-time jobs with a payroll of $103 million.

BCAL identified specific actions that government could take to accelerate investment by the ski industry. It established a business unit to provide focused expertise at both the provincial and regional level.

Key results include:

- streamlining the review and approval process
- co-ordinating the planning and review of permitting and licensing applications and negotiations with the industry for expansion and development of mountain resorts, and
- supporting proposed ski developments in meeting the requirements of various government agencies, and ensuring that the requirements are appropriate and are in the public interest.

This mandate is consistent with the government's red tape reduction initiative resulting from the Business Task Force consultations.

BCAL facilitated the development of several ski area expansions in 2000/01, including:

Whistler-Blackcomb at Whistler— The Whistler Mountain Master Plan was amended to accommodate the new development in the Spring Creak area.

- **Crystal Mountain**— An interim agreement was reached, which was an important step in the expansion of the existing ski hill near West Bank into a four-season resort.
- **Panorama at Invermere**— Intrawest's Panorama Resort undertook a master plan amendment to invest in upgrades and expansion of the existing ski resort over the next five to 10 years.
- **Kicking Horse Mountain Resort at Golden**—Golden Peaks Resort Inc. signed a master development agreement with BCAL to develop an eight-year phased expansion

of the White Tooth Ski area near Golden, to be renamed Kicking Horse Mountain Resort.

- **Sun Peaks at Kamloops**— Sun Peaks is developing a major hotel, golf course and new ski terrain.
- **Silver Star at Vernon**— Silver Star received approval for its expansion plan over a 10-year period to develop a guest services centre, residential and hotel accommodation and a golf course.

Kamloops Hospice and Parkland Project

In 2000/01, BCAL worked with the City of Kamloops, the local hospice association and the Friends of Peterson Creek to plan and implement the disposition of a large parcel of surplus Crown land adjacent to Peterson Creek Park for the purpose of developing a new hospice. Recognizing the sensitivity to the high levels of public recreational use and significant wildlife values, BCAL facilitated a hospice proposal in keeping with the city's official community plan.

Once the required zoning is completed, Kamloops will benefit from a privately funded eight-bed palliative care facility and a 152-unit seniors care facility that will contribute over $13 million in capital investment and create about 100 jobs. In addition, Kamloops will receive 14 hectares of parkland.

BUSINESS PRIORITIES

PRIORITY ONE:

To identify new opportunities that maximize the value of Crown land and assets.

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Meet annual forecasts for business activity in land tenures by increasing number of tenures and applying rents at current market values	• 11% increase over last year's revenue	• 15% increase in tenure revenue, from $30.1 million to $34.6 million
Meet annual forecasts for business activities for Crown land by identifying and creating new land inventory, through: i. researching databases ii. conducting planning and land development activities, and iii. entering into or extending arrangements with Crown agencies on a fee-for-service basis	• 4 databases researched • 2 planning studies per region • 6 land development initiatives • 2 new agreements and 2 renewals of existing agreements	• 4 database searches resulted in examination of over 800 folios • 9 planning studies undertaken • 7 land development initiatives underway • 2 fee-for-service land disposition agreements signed

PRIORITY TWO:

To increase our business capacity, strengthen our management practices and encourage innovation to meet our mandate.

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Improve the speed and efficiency of our business processes by: i. developing and implementing improved project planning with clear accountabilities and measurable milestones applicable to all major projects ii. implementing changes to improve the turnaround time and efficiency of processing applications for new tenures	• All divisions/branches using revised project planning on major projects by September 2000 • Turnaround targets established	• Project Management Institute (PMI) standards adopted for all major projects – Turnaround targets set at: – 6 months for aquaculture applications – 12 months for agriculture, commercial recreation and Land Act reserves – 9 months for all other applications *See page 19 for more details.*

PRIORITY TWO (CONTINUED):

To increase our business capacity, strengthen our management practices and encourage innovation to meet our mandate.

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Establish a dedicated BCAL reporting system	• 100% reports in production (approx. 25) • 20% improvement in reporting efficiency • 80% user satisfaction in Year 1	• 84% of reports in production and an additional 12 reports in the testing stage • 50% increase in reporting efficiency reported • User satisfaction survey not completed
Establish and implement a financial framework that will facilitate an effective business operation within BCAL.	• Revise policies and procedures implemented for revenue management and accounts receivable • Complete review of regional financial and administration function.	• All revenue management and accounts receivable policies and procedures revised • Comprehensive budget development process implemented • Review of regional financial and administrative function completed
Ensure we have people with skills and motivation to effectively achieve BCAL's priorities by improving staffing, training, performance, planning and recognition.	• 100% of employees have performance plans • Backlog reduced by 95% • 95% of staff receive training identified as required • 75% satisfied	• 84% of employees have performance plans in place • 95% of recruitment backlog completed, resulting in 41 of 42 vacancies filled • 85% of staff received training • Employee satisfaction survey not undertaken

PRIORITY THREE:

To support new government delivery models that reflect clear performance and results

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Support the growth of the shellfish industry by effectively using a "one window" approach	• 65 expansions and 50 new tenures • 10% increase in total area tenured	• Expansions: – 30 offers representing 149.56 ha – 4 offers in preparation representing 25.45 ha – 6 applications disallowed • New farms: – 1 offer representing 4 ha – 2 offers in preparation representing 12.2 ha • A further 31 sites covering about 300 ha of aquatic land set aside for applications from First Nations *See page 21 for project highlights.*
Expedite review and approval processes for targeted ski resort projects by utilizing a "corporate lead" model; targeted projects include: • Golden • Panorama • Kimberley • Fernie • Big White • Silver Star • Saddle Mountain • Whistler Mountain	• 90% of milestones achieved on time for each project.	• Alpine Ski Development Unit established to advance several long-term ski projects; it met 90% of the milestones set for the projects, including approval of: – 2 interim agreements – 3 ski area master plans – 1 master development agreement *See page 27 for project highlights.*

PRIORITY THREE (CONTINUED):

To support new government delivery models that reflect clear performance and results

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Improve the management of aggregate tenures and the level of service to the industry by establishing a dedicated business unit	• 10% increase	• Aggregates Business Unit created to improve management of tenures and service to the industry; the unit reported a: – 66% increase in annual returns for 2000/01 – 21% increase in 3-year average (1998/99 to 2000/01)
Ensure a fair return to the Province from the use of telecom rights-of-way (fibre optics) by establishing a dedicated business unit to apply policy and pricing.	• 16 existing uses legalized • Negotiations completed with 5 major operators • Policy in place by 1st quarter, 2000	• Telecommunications Business Unit created to respond to growing industry demand resulting from deregulation and the development of new technologies; the unit: – completed an agreement with Telus to meet its growing business needs associated with its major telecommunication corridor in B.C., known as the LightGuide System – approved 10 new tenures • Policy not in place; consultation underway
Improve predictability and quality of application processing for commercial recreation use through creation of dedicated business unit	• 100 applications adjudicated • 3 land use plans completed for new sites	• Dedicated business unit established to provide focused attention on the commercial recreation program; the unit: – adjudicated 108 applications – completed 5 recreational planning studies for the Sea-to-Sky, Toby Creek, Monashees, Atlin and Johnstone Straight areas of B.C. *See page 23 for details about the Monashees study.*

PRIORITY FOUR:

To make our business approaches more transparent and accessible

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Provide regular public reports on the economic benefits derived from approved Crown land use	• Quarterly reports in production	• Quarterly reports in production • Preliminary estimates of economic • benefit achieved from the administration of Crown land tenure portfolio produced *See page 17 for more information*
Enhance stakeholder interaction with BCAL by establishing and documenting BCAL policies, practices and procedures.	• 50% documented • All documented processes available on BCAL Web site	• 85% of current policies, practices and procedures documented • All information posted on the Web site
Promote public knowledge of the role and activities of the corporation by creating a portfolio of publications for public use via brochures and the website.	• 28 brochures produced. • 10% increase copies requested Sept.2000 and March 20001 • 10% increase in visits to the BCAL Web site from September 2000 to March 2001	• Display unit, corporate brochure, performance plan and annual report produced • Distribution monitoring system implemented • 22% increase in visits to the BCAL Web site recorded between its launch on February 15 and March 31
Upgrade the BCAL Web site to provide stakeholders with more comprehensive corporate information and the capacity for e-commerce.	• Corporate information upgrade completed. • 50% of business processes documented on Web site. • E-commerce "look up" function in place March 2002	• A comprehensive new Web site consisting of more than 500 pages of information opened to the public on February 15, 2001 • All business application procedures posted on Web site • Capacity for e-commerce built into design of site, and BCAL on track for full electronic commerce capability by March 2002 *See page 25 for project highlights.*
Make scheduled presentations to a variety of client groups to increase their understanding of BCAL's structure and activities.	• 4 presentations per region	• More than 80 presentations made throughout the year to a variety of clients and stakeholders, including local government and regional districts, First Nations, business and tourism associations, the northern agriculture community, environmental groups and the coastal communities

PRIORITY FIVE:

To advance community economic development projects using corporate expertise that cuts across all divisions

PRIORITIES AND ACTIVITIES	TARGETS	RESULTS
Develop Economic Growth Partnerships by applying inter-agency, inter-divisional and inter-regional teams.	• 2 Economic Growth partnerships established	• Opportunities to support community economic growth developed with the towns of Ladysmith and Zeballos, and head lease tenures issued to Peachland and Summerland.
Support Gateway community eco-tourism partnerships in communities by applying inter-agency, inter-divisional and inter-regional teams and by utilizing staff expertise	• 3 Gateway Communities supported in Wells, Lake Cowichan, and Valemount	• Gateway communities supported through the development of: – a potential gondola and four-season resort in Valemount – a commercial recreation tenure in Wells – identification of Crown land for an industrial park in Ladysmith
Work with local communities to enable economic initiatives by developing and marketing Crown land. Examples include: • Port Edward • Terrace • Fort Nelson • Queen Charlotte City • Logan Lake • Blue River	• 6 local initiatives assisted by September, 2001	• A number of local initiatives developed in communities including Terrace, Fort Nelson, Queen Charlotte City, Logan Lake, Blue River and Port Edward
Play a leadership role in implementing a provincial strategy for the timely removal of forestry-related restrictions on Crown land with community development potential.	• Inventory completed to identify communities that could benefit from strategy • 2 communities identified as candidates to pilot the strategy	• BCAL and Ministry of Forests completed a plan that establishes criteria for removing forestry-related restrictions on Crown land • Using the criteria, an application for deletion of restrictions was put forward on property in the Cowichan Regional District on Vancouver Island • Ladysmith and Zeballos identified as candidates to pilot the strategy

As of June 2000, the Business Partnership Division was transferred to the Ministry of Finance and Corporate Relations, which will report on the division's achievements in its 2000/01 annual report.

BRITISH COLUMBIA ASSESTS AND LAND CORPORATION

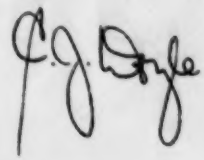
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2001

Management's Responsibility for Financial Reporting

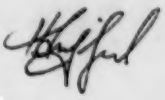
The financial statements of British Columbia Assets and Land Corporation have been prepared by management in accordance with generally accepted accounting principles. The financial statements present fairly the financial position of the company as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of reliable financial statement in a timely manner.

The Auditor General of British Columbia has performed an independent audit of British Columbia Assets and Land corporation. The Auditor's Report outlines the scope of this independent audit and expresses an opinion of the financial statements of British Columbia Assets and Land Corporation.



Cassie J. Doyle
PRESIDENT & CEO



H. F. (Hugh) Wilzewski, CA
EXECUTIVE FINANCIAL OFFICER

REPORT OF THE AUDITOR GENERAL OF BRITISH COLUMBIA

To the Shareholder of British Columbia Assets and Land Corporation:

I have audited the balance sheet of the *British Columbia Assets and Land Corporation* as at March 31, 2001 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly the financial position of the *British Columbia Assets and Land Corporation* as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Wayne Strelioff

Wayne Strelioff, CA
AUDITOR GENERAL

Victoria, British Columbia
May 18, 2001

BRITISH COLUMBIA ASSETS AND LAND CORPORATION

BALANCE SHEET

	(IN $000) MARCH 31 2001	2000
	$	$
ASSETS		
Current assets		
Cash	**13,573**	79,133
Temporary investments (Note 3)	**7,363**	31,602
Accounts receivable	**14,336**	10,564
Work-in-progress	**5,770**	4,422
	41,042	125,721
Mortgage receivable (Note 4)	**1,789**	1,789
Property held for sale	**16**	16
Capital assets (Note 5)	**1,437**	990
	44,284	128,516
LIABILITIES		
Accounts payable & accrued liabilities	**6,642**	4,621
Deferred revenue	**3,887**	1,083
Due to the Province of British Columbia (Note 6)	**14,991**	105,737
	25,520	111,441
SHAREHOLDER'S EQUITY		
Share capital (Note 11)	**–**	–
Contributed surplus	**13,278**	13,278
Retained earnings	**5,486**	3,797
	18,764	17,075
	44,284	128,516

Contingent liabilities (Note 12)

APPROVED BY THE BOARD:

DIRECTOR

DIRECTOR

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSETS AND LAND CORPORATION

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

(IN $000)

	YEAR ENDED MARCH 31	
	2001	2000
	$	$
REVENUES		
Land and project sales	**–**	1,978
Fees (Note 7)	**17,728**	21,470
Recoverable costs (Note 8)	**3,954**	7,391
Interest earned (Note 9)	**3,795**	2,040
Other revenue	**978**	129
	26,455	33,008
EXPENSES		
Administration	**1,680**	1,250
Amortization	**498**	225
Contract services	**2,464**	2,416
Project costs (Note 8)	**3,974**	7,463
Rent	**1,438**	995
Salaries and benefits	**13,215**	10,850
Telecommunication and systems	**1,497**	1,713
	24,766	24,912
NET INCOME FOR THE YEAR	**1,689**	8,096
RETAINED EARNINGS – BEGINNING OF YEAR	**3,797**	2,701
DIVIDEND DECLARED	**–**	(7,000)
RETAINED EARNINGS – END OF YEAR	**5,486**	3,797

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSETS AND LAND CORPORATION

STATEMENT OF CASH FLOWS

	(IN $000) YEAR ENDED MARCH 31 2001	2000
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**1,689**	8,096
Items not affecting cash:		
Amortization of capital assets	**498 225**	
Net (increase) decrease in non-cash working capital		
Accounts receivable	**(3,772)**	(2,456)
Work-in-progress	**(1,348)**	1,020
Mortgage receivable	**0**	(1,789)
Accounts payable	**2,021**	3,878
Deferred revenue	**2,804**	1,081
Due to the Province	**(90,746)**	78,118
Dividend payable	**0**	(7,000)
Cash Flows (used in) Generated From Operating Activities	**(88,854)**	81,173
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of capital assets	**(945)**	(1,043)
NET (DECREASE) INCREASE IN CASH	**(89,799)**	80,130
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**110,735**	30,605
CASH AND CASH EQUIVALENTS - END OF YEAR	**20,936**	110,735
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	**13,573**	79,133
Temporary investments	**7,363**	31,602
	20,936	110,735

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSETS AND LAND CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2001 (tabular amounts in $000)

1. THE CORPORATION

British Columbia Assets and Land Corporation (the "Corporation"), wholly owned by the Province of British Columbia, was incorporated under the Company Act of British Columbia, on January 5, 1983, as W.L.C. Developments Ltd. Effective June 1, 1998, the Corporation's name changed to British Columbia Assets and Land Corporation.

The Corporation's three major divisions and principal objectives are:

- Development and Marketing Division - develop and market Crown lands on behalf of the Province of British Columbia;
- Land Management Division - administer Crown land tenures on behalf of the Province of British Columbia; and
- Business Partnerships Division - manage the marketing of, or public/private partnership arrangements concerning, major government assets or operations on behalf of the Province of British Columbia.

The Corporation is exempt from federal and provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Temporary investments consist of units in Province of British Columbia Pooled Investment Portfolios. Units are carried at the lower of cost adjusted by income attributed to the units, and market value. Income attributed to the units represents the unitholder's share of interest earned by the Portfolio and may be realized upon sale of units.

Work-in-progress represents eligible development and marketing expenses incurred to promote the sale of designated Crown land and major government assets. These expenses are recoverable when the Crown land or assets are sold or other arrangements made. Operating or administrative expenses of the Corporation are excluded.

Property held for sale represents Whistler, British Columbia landholdings and improvements recorded at the lower of cost and estimated net realizable value.

Capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives. Assets costing less than $1,000 are expensed in the year purchased.

Computer equipment and software	three years
Furniture and equipment	five years
Leasehold improvements	five years

Fees are recognized from:

- Land sales when all material requirements related to the transactions have been met and the appropriate cash down payment or appropriate security has been received;
- Crown land tenures when the tenures are due; and
- Government asset sales in accordance with the contractual obligation for the sale of the asset.

Use of estimates The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures of work-in-progress at the date of the financial statements. Actual results could differ from these estimates.

3. TEMPORARY INVESTMENTS

	2001	2000
Cost	**7,363**	31,602
Unrealized gain	**12**	3
Market Value	**7,375**	31,605

4. MORTGAGE RECEIVABLE

The Corporation accepted a first mortgage from Blackcomb Skiing Enterprises Limited Partnership for the sale of land. The principal and 4% interest is payable on August 31, 2002.

5. CAPITAL ASSETS

	2001			2000
	COST	ACCUMULATED AMORTIZATION	NET	NET
Computer equipment and software	1,569	635	**934**	605
Furniture and equipment	425	102	**323**	208
Leasehold improvements	247	67	**180**	177
	2,241	804	**1,437**	990

6. DUE TO THE PROVINCE OF BRITISH COLUMBIA

The Corporation, pursuant to a number of different agreements, collects moneys on behalf of the Province of British Columbia and remits to the Province their portion.

	2001	2000
Due to the Province		
Land sales	**11,077**	69,028
Land tenure	**3,840**	20,696
Asset disposition	**–**	403
Interest	**–**	1,334
Trade	**74**	7,276
Dividend	**–**	7,000
	14,991	105,737

7. FEES

	FEES	RENT	TENURE	OTHER	2001	2000
Development and Marketing	2,718	50	–	161	**2,929**	4,985
Land Management	363	8,837	3,852	1,554	**14,606**	12,894
Business Partnerships	193	–	–	–	**193**	3,591
	3,274	8,887	3,852	1,715	**17,728**	21,470

8. RECOVERABLE COSTS AND PROJECT COSTS

On completion of Crown land and asset sales, the Corporation is reimbursed all eligible project costs related to the sale.

9. INTEREST EARNED

Interest earned on funds held on behalf of the Province is reported as income of the Corporation as authorized by the Delegation Agreement signed with the Province of British Columbia.

10. RELATED PARTY TRANSACTIONS

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

The Corporation is economically dependent upon the Province to provide Crown land and major government assets to market and sell, and on the assignment of responsibility for administering Crown land tenures as a means of generating revenue.

11. SHARE CAPITAL

The Corporation has authorized capital consisting of 10,000 common shares with no share value. The Minister of Agriculture, Food and Fisheries holds the one common share issued as representative of Her Majesty the Queen in right of the Province of British Columbia.

12. CONTINGENT LIABILITIES

The Corporation is the defendant in legal actions and it is not expected that the ultimate outcome of these claims will have a material effect on the financial position of the Corporation.

13. COMMITMENTS

The Corporation has entered into facilities leases for office space expiring on various dates to 2010, vehicle leases to 2007, and systems lease for the Tantalis Land Management System until March 2002. Future minimum payments under these leases for the next five years are:

2002	2,166
2003	1,810
2004	1,807
2005	1,801
2006	1,797
Total	**9,381**

14. EMPLOYEE BENEFIT PLANS

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the Public Service Pension Plans Act. The Public Service Pension Plan is a multi-employer, defined benefit plan and is available to substantially all of the Corporation employees. On behalf of employers, the British Columbia Pension Corporation administers the Plan, including payment of pension benefits to employees to whom the Act applies. The most recent actuarial valuation (March 31, 1999) has determined the Plan is in a surplus position. The Corporation also annually contributes through the Provincial Government payroll system for specific termination benefits as provided for under collective agreements and conditions of employment. The cost of these employee future benefits are recognized as an expense in the year that contributions are paid. Effective January 1, 2001, the Public Service Pension Plan's management changed to a joint trusteeship where the management, risks and benefits are shared between the employers and employees.

15. COMPARATIVE FIGURES

Certain 2000 comparative figures have been reclassified to conform to the presentation adapted in the current year.

GLOSSARY

NOTE: This glossary is intended to help readers better understand land management practice and is not for legal interpretation.

AQUACULTURE: the growing and cultivation of aquatic plants, finfish, shellfish or other invertebrates for commercial purposes, in any water environment or in human-made containers of water, in or under the foreshore or in water.

ABORIGINAL INTEREST ASSESSMENT PROCEDURES: processes that BCAL follows in fulfilment of its policy to consider aboriginal interests, including treaty areas of interest, whenever Crown land is sold or tenured.

APPLICATION: a written request (the form is part of the BCAL application package) applying for an interest in Crown land either through sale, some form of tenure or permission to use for a specified purpose pursuant to the Land Act, Ministry of Lands, Parks and Housing Act or University Endowment Land Act.

BCAL: the BC Assets and Land Corporation, the Crown corporation responsible for management and the disposition of Crown land.

COMMERCIAL ALPINE SKI POLICY: a set of requirements and procedures that apply to proposed commercial alpine ski developments on Crown land.

COMMERCIAL RECREATION ACCORD: the accord on commercial recreation tenure management signed by the minister responsible for BCAL and Minister of Environment, Lands and Parks (MELP) in May 2000. A regional memorandum of understanding, signed by the CEO of BCAL and the Deputy Minister of MELP, provides detail on the specific actions the Kootenay regional offices will undertake together to implement the accord.

COMMERCIAL RECREATION POLICY: a document outlining the policies and procedures that apply to all forms of commercial outdoor recreation activities taking place on provincial Crown land (both in a provincial forest and on lands covered by saltwater or freshwater).

CROWN GRANT: a document granting an interest in Crown land in fee simple to a specified party.

CROWN LAND: land, whether or not it is covered by water, held by the provincial government and not in fee simple by an agency of the provincial government (e.g., BCBC, BCAL, BC Hydro or BC Rail).

CROWN LAND REGISTRY: the registry of all Crown land and the repository of all legal documents, survey plans, encumbrances, acquisitions and dispositions under the Land Act.

DISPOSITION: the result of a decision and process in which Crown land is allocated.

EASEMENT: a legal right-of-way or similar right over another person's ground or property.

FORESHORE: land between the high and low water marks of lakes, streams and ocean; also known as Crown land or Crown-owned foreshore. In most cases, it is the land that is uncovered and covered by the tide or changes in water height caused by either tidal action or other means (e.g., a dam).

INVESTIGATIVE PERMIT: authorizes an applicant to use Crown land for a specific purpose, for a limited period of time, in order to investigate a potential project.

LAND EXCHANGES: an exchange or swap of Crown land for private land the provincial government wishes to acquire. Land swaps may involve only land or a combination of land and money or land and timber, and are usually done to purchase land for protected heritage or ecological areas.

LAND USE PLANS: plans developed to guide government land-use decisions, including regional and sub-regional strategic plans, plans developed under the Forest Practices Code, other multi-agency plans or program plans.

LMM: the Land Management Manual, which outlines the policies and procedures used by BCAL.

LEASE: a form of tenure providing exclusive right to use a parcel of Crown land for a specific purpose, including making improvements to the land, for a specified period of time as set out in the tenure documents (legal documents issued by BCAL). This form of tenure grants the tenure holder the most rights.

LICENCE OF OCCUPATION: a form of tenure providing a right to use and occupy a parcel of Crown land for a specific purpose, including making improvements to the land, and for a specified period of time as set out in the tenure documents (legal documents issued by BCAL). This form of tenure grants fewer rights than a lease and non-exclusive use.

MANAGEMENT PLAN: a legal document that details the specific operational requirements for a tenure, including the nature of the improvements and operations, as well as other provisions for the diligent use of such tenures. The management plan is referenced in the tenure document and forms part of the tenure agreement. The management plan may also include other specific conditions of provincial agencies.

METES AND BOUNDS: the limits or boundaries of property as marked by natural features or human-made structures. It is a method of describing the limits of property by measuring distances and angles from designated landmarks in relation to adjoining properties. It is used when a licence of occupation, notation of interest or permit is issued and is generally used to describe land under application when a survey does not exist.

NON-EXCLUSIVE RIGHTS: rights to use Crown land where the licence holder is not able to exclude the public or other tenure holders. Access to building sites can be restricted and overlapping tenures for use of the same land may be granted by BCAL.

PERMIT: a form of tenure normally authorizing short-term (up to two years) and low-impact uses, such as kayaking, site investigation and mountain guiding, which require no construction or improvements. The permit gives the holder non-exclusive rights to Crown land for the duration of the permit.

PRICING: The process BCAL follows to set prices on the uses of all types of tenure; the schedule of prices.

RESERVED LAND: Crown land that has been withdrawn from disposition under the Land Act or any other act (e.g., estuaries, land set aside for public use, environmental protection or parks).

RIGHT-OF-WAY: a legal right to pass over another's land for a variety of reasons (e.g., hydro lines or pipelines).

RIPARIAN RIGHTS: rights resulting from owning land fronting on a body of water. In B.C., recognised riparian rights include right of access to and from the upland to navigable waters; the right to any natural deposits (accretion); the right of the public to pass along Crown foreshore and to remain for a reasonable time.

STAKING NOTICE: a notice that is posted in a location that can be easily noticed and read, outlining all corners of a Crown land parcel under application. It is used to notify the local public that the land is under application for disposition.

TENURE: a legal contract in the form of a lease, licence of occupation or statutory right-of-way permit that is legally binding on the province and the person(s) holding the tenure.

TENURING: the process by which rights are granted for the use and/or occupation of Crown land.

TRESPASS: the use or occupation of Crown land without approval.

OCP: Official Community Plan, which is a local area land-use plan that details the municipality's vision.

APPENDIX A: BOARD OF DIRECTORS

Directors (as of March 31, 2001)

CASSIE DOYLE
President and Chief Executive Officer
BC Assets and
Land Corporation

DEREK THOMPSON, *Chair*
Deputy Minister
Ministry of Environment,
Lands and Parks

JACK EBBELS
Deputy Minister
Ministry of Energy and Mines

CATHARINE READ
Deputy Minister
Ministry of Small Business,
Tourism, and Culture

CHRIS TRUMPY
Deputy Minister
Ministry of Finance and
Corporate Relations

HAL GEREIN
Deputy Minister
Ministry of Community
Development, Cooperatives
and Volunteers

BLAIR REDLIN
President and Chief Executive Officer
BC Transportation and
Financing Authority

LEE DONEY
Deputy Minister
Ministry of Forests

MARGARET ARTHUR
Deputy Minister
Ministry of Agriculture,
Food and Fisheries

PHILIP STEENKAMP
Deputy Minister
Ministry of
Aboriginal Affairs

APPENDIX B: CORPORATE OFFICES

Cranbrook
205 Industrial Road G
Cranbrook, BC, V1C 7G5
Tel: (250) 489-8510
Fax: (250) 489-8550

Fort St. John
Room 400, 10003 - 110th Ave.
Fort St. John, BC, V1J 6M7
Tel: (250) 787-3412
Fax: (250) 787-3219

Kamloops
3rd Floor, 145 - 3rd Ave.
Kamloops BC, V2C 3M1
Tel: (250) 377-7000
Fax: (250) 377-7036

Nanaimo
2080-A Labieux Road
Nanaimo, BC V9T 6J9
Tel: (250) 751-3160
Fax: (250) 751-3116

Penticton
#201, 3547 Skaha Lake Road
Penticton, BC V2A 7K2
Tel: (250) 490-8229
Fax: (250) 492-1314

Prince George – Land Management
455-1011 4th Ave.
Prince George, BC V2L 3H9
Tel: (250) 565-6779
Fax: (250) 565-6941

Prince George – Development and Marketing
350 - 1011 4th Ave.
Prince George, BC V2L 3H9
Tel: (250) 565-6541
Fax: (250) 565-6518

Smithers
3rd Floor, 3726 Alfred Ave.
Smithers, BC V0J 2N0
Tel: (250) 847-7334
Fax: (250) 847-7556

Surrey – Land Management
Suite 200, 10428 - 153rd St.
Surrey, BC V3R 1E1
Tel: (604) 586-4400
Fax: (604) 586-4434

Surrey – Development and Marketing
Suite 302, 10428 - 153rd St.
Surrey, BC V3R 1E1
Tel: (604) 586-2882
Fax: (604) 586-2900

Vancouver Island – Development and Marketing
PO Box 9476 STN
PROV GOVT
Victoria, BC V8W 9W6
Tel: (250) 952-6246
Fax: (250) 952-6237

Williams Lake
Suite 201,
172 North Second Ave.
Williams Lake, BC V2G 1Z6
Tel: (250) 398-4574
Fax: (250) 398-4836

Corporate Offices - Victoria
5th Floor,
609 Broughton Street
Victoria, BC, V8W 1C8
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Fax: (250) 952-6237

REGIONAL MAP